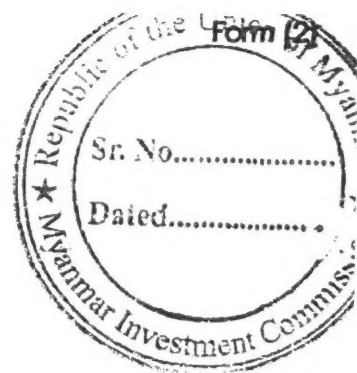




The Republic of The Union of Myanmar
The Myanmar Investment Commission

PERMIT



Permit No. 561/2013

Date 13th February 2013

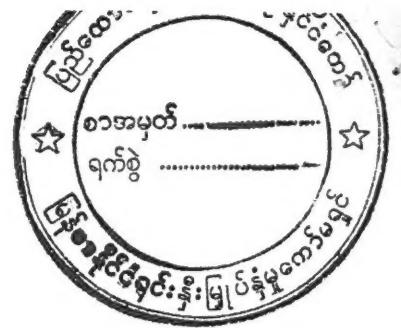
The Myanmar Investment Commission issues this Permit under Section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

- (a) Name of Investor/Promoter MR. YU JIAN CHEN
- (b) Citizenship CHINESE
- (c) Address NO.8, FU QING ROAD, FU JIAN , PEOPLE'S REPUBLIC OF CHINA.
- (d) Name and Address of principal organization
- (e) Place of incorporation
- (f) Type of business in which investment is to be MANUFACTURING AND MARKETING OF MOTOR VEHICLES
- (g) Place(s) at which investment is permitted PLOT NO. 79, THARDUKAN INDUSTRIAL ZONE (3/4), SHWE PYI THAR TOWNSHIP, YANGON REGION
- (h) Amount of foreign capital US\$ 2.09 MILLION
- (i) Period for bringing in foreign capital WITHIN (1) YEAR FROM THE DATE OF ISSUANCE OF PERMIT
- (j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US\$ 2.16 MILLION
- (k) Construction period 6 MONTHS
- (l) Permitted duration of investment 30 YEARS
- (m) Form of investment JOINT-VENTURE
- (n) Name of the economic organization to be formed in Myanmar
KHAING KHAING SANG DA GROUP LTD.

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်



ခွင့်ပြုမိန့်အမှတ် ၅၆၁/၂၀၁၃

၂၀၁၃ ခုနှစ်၊ ဖေဖော်ဝါရီလ ၁၃ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၃)ပုဒ်မခွဲ(ခ)
အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. YU JIAN CHEN

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ NO.8, FU QING ROAD, FU JIAN, PEOPLE'S REPUBLIC OF CHINA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ

(င) ဖွဲ့စည်းရာအရပ်

(စ) ရင်းနှီးမြှုပ်နှံသည့် လုပ်ငန်းအမျိုးအစား မော်တော်ကားထုတ်လုပ်ခြင်းနှင့် ရောင်းချခြင်း
လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၇၀၊ သာဓုကန်စက်မှုဇုန် (၃/၄)၊
ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၂.၀၉ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး (၁)နှစ်
အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂.၁၆ သန်းနှင့် ညီမျှသော
မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၆ လ

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ဖက်စပ်လုပ်ငန်း

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည်

KHAING KHAING SANG DA GROUP LTD.

ဥက္ကဋ္ဌ

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

၃/၂

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-758 /2013(2417)

Tel: 067- 406334, 406075

Dated : 13th February 2013

Fax: 95-67-406333

Subject: Decision of the Myanmar Investment Commission on the Proposal for " Manufacturing and Marketing of Motor Vehicles" under the name of "Khaing Khaing Sang Da Group Ltd."

Reference: Khaing Khaing Sang Da Group Ltd. Letter dated (24.12.2012).

1. The Myanmar Investment Commission, at its meeting (7/2013) held on (13-2-2013) had approved the proposal for investment in "Manufacturing and Marketing of Motor Vehicles" under the name of "Khaing Khaing Sang Da Group Ltd." submitted as a joint venture between Mr. Yu Jian Chen (80 %), Mrs. Lin Xin Yu (15 %) of the People's Republic of China and Daw Lai Lai Khaing (5 %) of the Republic of the Union of Myanmar.
2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, Section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VIII, Rule 48. Terms and conditions to the "Permit" are stated in the following paragraphs.
3. The permitted duration of the project shall be 30 (Thirty) years for commencing from the date of signing of the Lease Agreement for land and buildings and extendable for another 5 (Five) years period by mutual agreement between Khaing Khaing Sang Da Group Ltd. and Daw Lai Lai Khaing. At the end of the Lease Agreement for land and buildings, Khaing Khaing Sang Da Group Ltd. shall transfer the leased land and buildings (immovable properties) to the lessor within three months in good condition, ground damages having been refilled and repaired.

4. The rent for the land and buildings shall be US \$ 34,479.24 (United States Dollar thirty-four thousand, four hundred and seventy-nine and twenty-four cent only) for the 30 years calculated at the rate of US\$ 6.00 per square meter per year of the Land measuring 5,746.54 square meters (1.42 acres). The rate of rent shall be revised in view of prevailing land lease rates after 5 (Five) years period and increase of the rent shall not be more than 10 % of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 27(a)(h)(i) and (k) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 27 shall have to be applied upon the actual performance of the project;

- (a) As per section-27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;
- (b) As per section-27(b), income tax exemption or relief on profit accrued from the business which are kept as a reserve fund for re-invested and if re-invested therein within one year;
- (c) As per section-27(c), right to deduct depreciation from the profit, after computing as the rate of deducting depreciation stipulated by the Union, in respect of machinery ,equipment , building or other capital assets used in the business for the purpose of income-tax assessment;
- (d) As per section-27(d), if the goods produced by any manufacturing business are exported, relief from income-tax up to 50 percent on profit accrued from the said export;
- (e) As per section-27(e), right to pay income-tax on the income of foreigners at the rates applicable to the citizens residing within the Union;

- (f) As per section-27(f), right to deduct expenses from the assessable income incurred for research and development business which are actually required and are carried out within the Union;
- (g) As per section-27(g), right to carry and set-off the loss actually sustained within two consecutive years after the enjoyment of exemption or relief from income-tax as contained in sub-section (a) for each business up to three consecutive years from the year the loss is sustained;
- (h) As per section-27(h), exemption or relief from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for used during the period of construction of business;
- (i) As per section-27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;
- (j) As per section-27(j), if the volume of investment is increased with the approval of the Commission and the original investment business is expanded during the permitted period, exemption or relief from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required to use in the business expanded as such;
- (k) As per section-27(k), exemption or relief from commercial tax on the goods produced for export.

6. Daw Lai Lai Khaing shall have to sign the Joint Venture Agreement with Mr. Yu Jian Chen and Mrs. Lin Xin Yu and the Lease Agreement for land and buildings with Khaing Khaing Sang Da Group Ltd. After signing the Agreements, each of (5) copies shall have to be forwarded to the Commission.
7. Khaing Khaing Sang Da Group Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.
8. Khaing Khaing Sang Da Group Ltd. has to abide by Chapter X, Rules 56 and 57 for construction works.
9. As per Chapter X, Rule 59, extension of construction period shall not be granted more than once except it is due to unavoidable events such as natural disaster, emergency political instability, riots, demonstrations, State emergency, arm resistance, and war.
10. As per Chapter X, Rule 61, if the investor cannot construct completely in time the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.
11. The commercial date of operation shall be reported to the Commission.
12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal in accordance with Chapter XI Section 24 of the Republic of the Union of Myanmar Foreign Investment Law and the investor has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII Rule 81.
13. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV Section 37

of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

- (a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI Rules 133 and 134;
- (b) the detailed lists of the type and value of foreign capital defined under Section 2(i) of the said Law, other than foreign currency.

14. Khaing Khaing Sang Da Group Ltd. brings in foreign capital defined under Section 2(i) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. Khaing Khaing Sang Da Group Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI Rule 137 and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII Rule 149.

16. Khaing Khaing Sang Da Group Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Khaing Khaing Sang Da Group Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per comments made by Ministry of

Environmental Conservation and Forestry in which to conduct Initial Environmental Examination (IEE) process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP.

18. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Khaing Khaing Sang Da Group Ltd.

19. Khaing Khaing Sang Da Group Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rules 77 and 78.



(Soe Thane)

Chairman

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Khaing Khaing Sang Da Group Ltd.

- cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Regional Government
 3. Ministry of National Planning and Economic Development
 4. Ministry of Finance and Revenue
 5. Ministry of Commerce
 6. Ministry of Industry
 7. Ministry of Foreign Affairs
 8. Ministry of Home Affairs
 9. Ministry of Immigration and Population
 10. Ministry of Labour, Employment and Social Security

11. Ministry of Electric Power
12. Ministry of Industry
13. Ministry of Environmental Conservation and Forestry
14. Director General, Directorate of Investment and Company
Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanmar Foreign Trade Bank
18. Managing Director, Myanmar Investment and Commercial Bank
19. Managing Director, Myanmar Insurance
20. Managing Director, Myanmar Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration
Department
23. Director General, Directorate of Labour
24. Director General, Directorate of Environmental Conservation
25. Chairman, Republic of the Union of Myanmar Federation of
Chambers of Commerce and Industry (UMFCCI)

- (e) Address - PTTEP SOUTH ASIA LIMITED
ENERGY COMPLEX BUILDING A
555/1 VIBHAVADI RANGSIT ROAD
CHATUCHAT, BANGKOK 10900
THAILAND
- (f) Name of principal organization PTTEP SOUTH ASIA LIMITED
- (g) Type of business PETROLEUM.
- (h) Place of organization - PTTEP SOUTH ASIA LIMITED
ENERGY COMPLEX BUILDING A
555/1 VIBHAVADI RANGSIT ROAD
CHATUCHAT, BANGKOK 10900
THAILAND
- (i) Place of incorporation - PTTEP SOUTH ASIA LIMITED
(CAYMAND ISLANDS)
ENERGY COMPLEX BUILDING A
555/1 VIBHAVADI RANGSIT ROAD
CHATUCHAT, BANGKOK 10900
THAILAND

3. Type of business in which investment is be made-

- (a) Production PETROLEUM.
- (b) Services -
(to indicate name of goods or type of services)

4. Form of economic organization-

- (a) Sole Proprietorship -
- (b) Partnership -
- (c) Limited Company -

(to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

- 5. If the organization is in the form of a partnership -
- (a) Capital ratio and amount to be contributed by the partners -
- (b) Profit sharing ratio PRODUCTION SHARING CONTRACT.